. No. 1751 **SENATE**

The Commonwealth of Massachusetts

PRESENTED BY:

Mark C. Montigny

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act to Establish a Moratorium on Foreclosures in the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Mark C. Montigny	Second Bristol and Plymouth
William Lantigua	16th Essex
Barbara A. L'Italien	18th Essex
James B. Eldridge	Middlesex and Worcester
John F. Quinn	9th Bristol
Timothy J. Toomey, Jr.	26th Middlesex
Jennifer L. Flanagan	Worcester and Middlesex
Patricia D. Jehlen	Second Middlesex
Jennifer M. Callahan	18th Worcester
John W. Scibak	2nd Hampshire
John J. Binienda	17th Worcester
Denise Provost	27th Middlesex
Stephen R. Canessa	12th Bristol

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT TO ESTABLISH A MORATORIUM ON FORECLOSURES IN THE COMMONWEALTH.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- SECTION 1. WHEREAS the deferred operation of this act would tend to defeat its
- 2 purpose which is to protect citizens of the Commonwealth, therefore it is hereby declared to be
- 3 an emergency law necessary for the immediate protection of the public.
- 4 Notwithstanding the provisions of any general or special law to the contrary, no foreclosures
- 5 shall be conducted for a period of one hundred and eighty (180) days after the effective date of
- 6 this section, on any residential real estate located in the Commonwealth having a dwelling house
- 7 with accommodations for four or less separate households and occupied in whole or in part by an
- 8 obligor on the mortgage debt, on any mortgage from which is presumptively unfair by virtue of
- 9 having one of the following:
- 10 (a) an adjustable rate loan with an introductory period of three years or less; and a debt-to
- income ratio in excess of 50 percent under the fully indexed rate; and the loan-to-value ratio is

- 12 97 percent or greater, or the loan carries substantial pre-payment penalties or pre-payment
- penalties extend beyond the introductory period;
- (b) interest only loans;
- 15 (c) loans with high points, fees or interest in violation of the Predatory Home Loan
- 16 Practices Act, G.L. c. 183C §2.
- 17 No register of deeds or assistant recorder of the land court shall accept for recording or filing for
- 18 registration any foreclosure deed pursuant to a foreclosure conducted in violation of this act
- during said 180-day period.
- 20 During the 180-day moratorium period, mortgage holders shall provide an authorized
- 21 representative to enter into good faith negotiations with borrowers who so request, to modify the
- terms of their mortgages, including, reducing the principal, lowering the interest rate, eliminating
- 23 pre-payment penalties, and other fees and costs so that qualified homeowners can obtain
- 24 affordable mortgages that will allow them to stay in their homes. No fees or penalties shall
- accrue during the moratorium period.